GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3551
ANSWERED ON:21.12.2015
Loan for Self Employment
Gaikwad Prof. Ravindra Vishwanath

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government has raised the loan amount to encourage the educated unemployed youth for self employment in the Micro, Small and Medium Enterprises (MSMEs) sector and if so, the details thereof including maximum age limit for grant of loans to the unemployed youths;

(b) whether there is any provision to impart training to the educated unemployed youths for the proper functioning of small scale industries; and

(c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): No, Madam. Under Prime Minister's Employment Generation Programme(PMEGP), an individual, above 18 years of age can apply for establishing a unit through Bank credit. The maximum cost of project is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector. General category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as scheduled castes, scheduled tribes, OBCs, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to North Eastern Region, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban area.

(b) & (c): The PMEGP Scheme provides for mandatory Entrepreneurship Development Programme (EDP) training of 1-2 weeks for the PMEGP entrepreneurs. The EDP training is aimed at imparting knowledge on the concept of entrepreneurship, its challenges and prospects and to develop skill on management of a unit - including financial and marketing etc. EDP training is provided through:

i) KVIC and KVIB Departmental Training Centers
ii) Central and State Government Training Centers
iii) Rural Self Employment Training Institutes(RSETI) Training Centers